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 Attorneys for Lenard E. Schwartz, Trustee

**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF NEVADA**

In re:	Case No. BK-S-18-12662-LEB
MEDIZONE INTERNATIONAL, INC.,	Chapter 7

Debtor.

**NOTICE OF ENTRY OF ORDER  
 SHORTENING TIME TO HEAR:**

**(1) EMERGENCY MOTION FOR INTERIM  
 ORDER AUTHORIZING TRUSTEE TO  
 OBTAIN POST-PETITION FINANCING  
 (11 U.S.C. §364); AND**

**(2) EMERGENCY MOTION FOR ORDER  
 AUTHORIZING TRUSTEE TO OPERATE  
 DEBTOR'S BUSINESS (11 U.S.C. §721);**

**AND ORDER LIMITING NOTICE OF  
 ORDER SHORTENING TIME AND  
 MOTIONS (FRBP 2002); NOTICE OF  
 HEARINGS**

Hearing Date: May 30, 2018  
 Hearing Time: 1:30 p.m.

NOTICE IS HEREBY GIVEN that an *Order Shortening Time To Hear: (1) Emergency Motion For Interim Order Authorizing Trustee To Obtain Post-Petition Financing (11 U.S.C. §364); And (2) Emergency Motion For Order Authorizing Trustee To Operate Debtor's Business (11 U.S.C. §721); And Order Limiting Notice Of Order Shortening Time And Motions (FRBP 2002); Notice Of Hearings* [ECF No. 31] was entered on May 22, 2018, a copy of which is attached hereto.

Dated this 22<sup>nd</sup> day of May, 2018.

/s/ Jason A. Imes

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*Laurel E. Babero*

Honorable Laurel E. Babero  
United States Bankruptcy Judge



Entered on Docket  
May 22, 2018

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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:  
MEDIZONE INTERNATIONAL, INC.,

Debtor.

Case No. BK-S-18-12662-LEB

Chapter 7

**ORDER SHORTENING TIME TO HEAR:**

**(1) EMERGENCY MOTION FOR INTERIM  
ORDER AUTHORIZING TRUSTEE TO  
OBTAIN POST-PETITION FINANCING  
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**(2) EMERGENCY MOTION FOR ORDER  
AUTHORIZING TRUSTEE TO OPERATE  
DEBTOR'S BUSINESS (11 U.S.C. §721);**

**AND ORDER LIMITING NOTICE OF  
ORDER SHORTENING TIME AND  
MOTIONS (FRBP 2002); NOTICE OF  
HEARINGS**

Hearing Date: May 30, 2018  
Hearing Time: 1:30 P.M.

**TO: ALL PARTIES IN INTEREST**

**PLEASE TAKE NOTICE** that upon the Trustee's *Ex Parte Application For An Order Shortening Time To Hear: (1) Trustee's Emergency Motion for Interim Order Authorizing Trustee to Obtain Post-Petition Financing (11 U.S.C. §364); and (2) Emergency Motion for Order Authorizing*

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1 *Trustee to Operate Debtor's Business (11 U.S.C. §721); and to Limit Notice of Order Shortening*  
 2 *Time and Motions (FRBP 2002) (the "Application"), and good cause appearing, the Court finds that*  
 3 *there is a situation which justifies shortening the time for the hearings, and*

4 **IT IS HEREBY ORDERED** that the hearing on the Trustee's *Emergency Motion for Interim*  
 5 *Order Authorizing Trustee to Obtain Post-Petition Financing (11 U.S.C. §364) (the "Financing*  
 6 *Motion")* and the hearing on the Trustee's *Emergency Motion for Order Authorizing Trustee to*  
 7 *Operate Debtor's Business (11 U.S.C. §721) (the "Operating Motion")* will be heard on shortened time  
 8 before a United States Bankruptcy Judge in the Foley Federal Building, Bankruptcy, 300 Las Vegas  
 9 Blvd. South, Las Vegas, Nevada on May 30, 2018, at the hour of 1:30 P.M.; and

10 **IT IS FURTHER ORDERED** that notice of this Order Shortening Time, the Financing  
 11 Motion, the Operating Motion together with any supporting documents and declarations  
 12 (collectively, the "Notice Packet") may be limited to the "Limited Notice List" attached to the  
 13 Application as **Exhibit "A"** pursuant to Fed.R.Bankr.P 2002(m), these documents shall be served no  
 14 later than two (1) business day after the entry of this Order Shortening Time; or in the alternative,

15 **IT IS FURTHER ORDERED** that any objections or oppositions to the Financing Motion  
 16 or the Operating Motion shall be filed no later than May 25, 2018. Any replies to the objections or  
 17 oppositions shall be filed no later than May 29, 2018.

#### 18 NOTICE OF HEARINGS

19  
 20 **PLEASE TAKE FURTHER NOTICE** that the Financing Motion seeks an expedited  
 21 preliminary hearing (pending a final hearing) for entry of an Interim Order authorizing the Trustee  
 22 to obtain secured credit pursuant to 11 U.S.C. §364(c) in the sum of up to Two Hundred Thousand  
 23 dollars (\$200,000.00) from creditors Edwin G. Marshall and Jill Marshall. The funds will be used  
 24 to operate the Debtor's business for approximately 90 days from the petition date (May 8, 2018  
 25 through August 10, 2018) to preserve and maximize the value of the bankruptcy estate's assets for  
 26 the benefit of creditors, and thereby avoid immediate and irreparable harm to the estate.

**PLEASE TAKE FURTHER NOTICE** that the particular terms of the proposed post-petition financing are set forth with more particularity in the Financing Motion and Loan Agreement attached to the Financing Motion as **Exhibit “1”** but are summarized as follows with reference to the particular paragraphs of the Loan Agreement:

Interest Rate	10.00% per annum (subject to 400 basis points increase in the event of a default)	¶3
Maturity	Upon closing of sale of Subject Property	¶4
Events of Default	Non-payment of any amounts due under loan; Expenditures beyond authorization in proposed budget; Entry of order adversely affecting loan or Lender rights; Breach by borrower of loan terms	¶19
Other Prior Liens	None known, and none disclosed in Debtor’s schedules	N/A
Borrowing Limits	\$200,000.00	¶3
Borrowing Conditions	Subject to Bankruptcy Court approval of Loan Agreement, and approval of Trustee’s motion to continue to operate under 11 U.S.C. §721	¶2
Collateral	Debt will be secured by superpriority administrative expense claim, and a first priority secured interest in and lien on the assets of the estate (not including Chapter 5 avoidance and recovery claims held by the Trustee)	¶8
Carveout for Administration	Lenders lien subordinated to \$15,000 maximum carveout for Trustee’s expenses	¶10
Adequate Protection	Not Applicable (no pre-petition lien claims)	N/A
Automatic Stay Relief	Shortened notice period for relief from automatic stay in event of default (7 days)	¶12

The proposed financing also includes a loan fee of \$25,000.00, and the proposed debt will be secured by a lien on assets of the bankruptcy estate, including without limitation the Debtor’s goodwill, patents, inventory, equipment, but not including any avoidance claims the Trustee may hold, and will have superpriority status pursuant to 11 U.S.C. §507(b). The Trustee’s right to surcharge this collateral pursuant to 11 U.S.C. §506(c) will be waived, except for a carveout of up to \$15,000.00 for the Trustee’s fees and expenses of the estate (to which the Marshalls will subordinate their claim). The debt will be repaid upon sale of the estate’s assets. The funds will be used for operation of Debtor’s

business pursuant to 11 U.S.C. §721.

**PLEASE TAKE FURTHER NOTICE** that the Operating Motion requests authorization *nunc pro tunc* for the Trustee to operate Debtor's business for approximately 90 days from the Petition Date (May 8, 2018 through August 10, 2018) pursuant to 11 U.S.C. §721.

**PLEASE TAKE FURTHER NOTICE** Electronic copies of the Motions and supporting declarations are available through the Bankruptcy Court's electronic docketing system (PACER) at [www.ecf.nvb.uscourts.gov](http://www.ecf.nvb.uscourts.gov), at the Bankruptcy Court Clerk's Office, located at the Foley Federal Building, 300 Las Vegas Boulevard, South, Las Vegas, Nevada 89101, or by contacting Jason A. Imes, Esq., of Schwartzer & McPherson Law Firm, at the address or telephone number set forth above.

Submitted by:

/s/ Jason A. Imes  
 Jason A. Imes, Esq.  
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